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<sup>2</sup>Cost of spare anchor, propeller, or tailshaft is not included in this allowance and is handled as a separate Maritime Subsidy Board action.

3. This regulation shall be implemented in accordance with the following procedures and guidelines:

(a) The allowance is to be calculated by the Maritime Administration and will be included in the contract price for all new contracts for which CDS is awarded after this regulation becomes effective. For ships under contract on the effective date of this regulation, the regulation shall form the basis for permitting a change under contract for additional spare parts to be subsidized, provided that a request for CDS participation is submitted to the Maritime Administration prior to delivery of the applicable ship.

(b) The allowance is to be fixed and will not be escalated under the escalation provisions (if any), of the contract. For changes to existing contracts, the allowance will be computed based on the original contract price.

(c) An audit, as deemed appropriate by the Maritime Administration, will be made at the end of the contract to determine total spare parts expenditures and a change under contract will be issued if actual expenditures are less than the allowance. The audit will be based on Maritime Administration review of a priced list, by shipyard purchase orders, of spare parts furnished pursuant to this § 251.11.

(d) Shipping and shipyard handling costs are to be included in the allowance.

(e) If the cost of material in a cost class is increased or decreased by reason of a change under contract, the total spare parts allowance will not be increased or decreased unless included as part of the change under contract.

(f) The actual expenditure of funds for spare parts by the Owner need not correspond to the percentages shown in the table which are used to determine the total amount eligible for CDS.

(g) An owner may exceed the limit set by this regulation, provided such excess is for his sole account.

(Approved by the Office of Management and Budget under control number 2133-0020)

(Reorganization Plans No. 21 of 1950 (64 Stat. 1273) and No. 7 of 1961 (75 Stat. 840), as amended by Pub. L. 91-469 (84 Stat. 1036); and Department of Commerce Organization Order 10-8 (38 FR 19707, July 23, 1973))

[G.O. 11, 2 FR 2205, Sept. 22, 1937, as amended by Amdt. 1, 24 FR 7832, Sept. 29, 1959; 30 FR 11756, Sept. 15, 1965; 30 FR 14598, Nov. 24, 1965; 43 FR 1622, Jan. 11, 1978; 47 FR 25530, June 14, 1982]

## 46 CFR Ch. II (10-1-03 Edition)

### § 251.11 Applications under Title VI, Merchant Marine Act, 1936, as amended.

(a) Applications under title VI of the Act for subsidy to aid in the operation of vessels in the foreign commerce of the United States shall be filed on Form MA-632 in accordance with the instructions annexed thereto.

(b) Copies of Form MA-632 may be obtained on request from the Secretary, Maritime Subsidy Board, Washington, D.C., 20590.

(Approved by the Office of Management and Budget under control number 2133-0017)

[G.O. 13, Rev., 36 FR 11033, June 8, 1971, as amended at 47 FR 25530, June 14, 1982]

### § 251.21 Applications under sections 803, 804, 805 (a) and (d), and 605 (b), Merchant Marine Act, 1936.

Form VI-B of instructions is the required form for the preparation of applications under sections 803, 804, 805(a) (see procedure for 805(a) applications covered in part 380 of this chapter (General Order 86)) and (d), and 605(b), Merchant Marine Act, 1936 (49 Stat. 2012, 2013, 2003; 46 U.S.C. Sup., 1221-1223 (a), (d), 1175(b)).<sup>1</sup> All applicants for operating differential subsidies who file such applications are required to comply therewith.

[G.O. 14, 2 FR 2295, Sept. 28, 1937, as amended at 23 FR 7538, Sept. 27, 1958]

### § 251.31 Charges for processing applications for authorization to transfer ownership of ships built with construction-differential subsidy.

(a) Applications for an amendment or addendum to construction-differential subsidy contracts to provide for the sale of a vessel built under Title V, Merchant Marine Act, 1936, as amended, to a buyer who assumes the obligations under said contracts, shall be filed with the Secretary, Maritime Subsidy Board, Washington, DC 20590.

(b) *Fee.* Each such application shall be accompanied by the sum of \$200,

<sup>1</sup>Copies of form referred to may be obtained from the Secretary, Maritime Subsidy Board, Washington, D.C.

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which sum will be retained to recover the cost of processing the application.

(Sec. 4; 5 U.S.C. 553)

[G.O. 106, 31 FR 3397, Mar. 4, 1966]

### **PART 252—OPERATING-DIFFERENTIAL SUBSIDY FOR BULK CARGO VESSELS ENGAGED IN WORLD-WIDE SERVICES**

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AUTHORITY: 46 app. U.S.C. 1114(b), 1117, 1121, 1171, 1172, 1173, and 1175; 49 CFR 1.66.

SOURCE: 40 FR 43490, Sept. 22, 1975, unless otherwise noted.

#### **Subpart A—Introduction**

##### **§ 252.1 Purpose.**

This part prescribes regulations implementing provisions in Title VI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1171-1176 and 1178-1181) governing operating-differen-

tial subsidy for bulk cargo vessels engaged in carrying bulk cargo in essential services in the foreign commerce of the United States.

[51 FR 40425, Nov. 7, 1986, as amended at 61 FR 32706, June 25, 1996]

##### **§ 252.2 Policy.**

The policy of the Merchant Marine Act, 1936, as amended, is set forth in section 101 thereof, as follows:

It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States insofar as may be practicable, (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel, and (e) supplemented by efficient facilities for shipbuilding and ship repair. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

##### **§ 252.3 Definitions.**

When used in this part:

(a) *Act* means the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101-1294).

(b) *Maritime Administrator* means the Maritime Administrator, Department of Transportation of the Department of Transportation.

(c) *Board* means the Maritime Subsidy Board of the Maritime Administration.

(d) *Bulk cargo vessel* means a vessel built to carry solid, liquid or gaseous commodities that in normal shipment are contained only by the vessel's structure.

(e) *Citizen of the United States* includes a corporation, if all directors of the corporation are citizens of the United States, partnership or association but only if it is deemed a citizen of the United States under section 2 of the Shipping Act, 1916, as amended (46 U.S.C. 802).